

## Message Text

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17

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-11 INR-10 LAB-06

NSAE-00 RSC-01 SIL-01 SP-03 L-03 OMB-01 TRSE-00 STR-08

AGR-20 SWF-02 OPIC-12 PA-04 USIA-15 PRS-01 IO-14

DRC-01 /134 W

----- 032243

R 142150Z JUN 74

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 7340

INFO AMEMBASSY MANAGUA

AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

C O N F I D E N T I A L TEGUCIGALPA 2499

E.O. 11652: GDS

TAGS: ELAB, HO

SUBJECT: LABOR DEVELOPMENTS

REF: (A) TEGUCIGALPA 1840, (B) TEGUCIGALPA 2231,  
(C) STATE 085401

SUMMARY: THERE HAS BEEN SIGNIFICANT PROGRESS IN NEGOTIATIONS BETWEEN STANDARD FRUIT AND ITS UNION, WITH ONLY FIVE CLAUSES UNRESOLVED. THE PROBLEMS IN LOVABLE BRA IN HONDURAS HAVE BEEN RENEWED BUT NO STRIKE ACTION IS PLANNED YET. APPROXIMATELY 800 GOVERNMENT EMPLOYED NURSES STRUCK FOR BETTER WAGES ON JUNE 13. HONDURAN BANANA WORKERS PARTICIPATED IN PANAMA CONFERENCE APRIL 28-30. SITRATERCO IS SUSPICIOUS OF MOTIVES OF PANAMANIAN GOVERNMENT. THE HEALTH OF OSCAR GALE CONTINUES TO BE POOR AND THERE IS A POSSIBILITY OF HIS RETIREMENT NEXT AUGUST. END SUMMARY.

1. LABOFF HAS BEEN INFORMED BY SITRATERCO SEC GEN OBDULIO CACERES THAT STANDARD FRUIT AND ITS UNION, SUTRAFSCO, HAVE MADE EXCELLENT  
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PROGRESS IN THE FINAL CONCILIATION STAGE OF NEGOTIATIONS. ONLY

FIVE OF THE ORIGINAL 28 CLAUSES REMAIN TO BE SETTLED. STILL UNRESOLVED

IS THE SALARY QUESTION BUT SUTRAFSCO PRESIDENT NAPOLEON ACEVEDO EXPRESSED CONFIDENCE OF SETTLEMENT WEEK OF JUNE 16 TO CACERES.

2. THE OLD PROBLEMS WITH LOVABLE BRA OF HONDURAS HAVE RESURFACED. AFTER INITIAL COMPANY AGREEMENT TO REHIRE FIRED WORKERS, WORKERS WERE CLOSED IN A STOREROOM AND NOT GIVEN WORK. ON JUNE 17 MANAGEMENT GAVE WORKERS WHO HAD BEEN ORIGINALLY FIRED PLUS OTHER UNION MEMBERS (NEW TOTAL 34) SUSPENSION SLIPS. MANAGEMENT CLAIMS THAT LACK OF RAW MATERIALS IMPORTED FROM U.S. PARENT COMPANY IS FORCING LAYOFFS. MANAGEMENT APPARENTLY BELIEVES THAT AFTER 120 DAY SUSPENSION WORKERS CAN BE LEGALLY FIRED. FESITRANH PRESIDENT CELEO GONZALEZ SAYS THAT FEDERATION IS NOT REVIVING GENERAL STRIKE THREAT AT THIS TIME, BUT WILL FIRST FIGHT OUT QUESTION IN LABOR MINISTRY.

3. ON JUNE 13 APPROXIMATELY 800 GOVERNMENT EMPLOYED NURSES STRUCK FOR HIGHER WAGES. VIRTUALLY ALL PUBLIC MEDICAL FACILITIES IN TEGUCIGALPA ARE HIT AND STRIKE MAY SPREAD TO SAN PEDRO SULA. ACTION FOLLOWED LONG PERIOD OF PETITIONING BY NURSES AND A FINAL ULTIMATUM TO GOH.

4. SITRATERCO SEC GEN OBDULIO CACERES ATTENDED REGIONAL CONFERENCE OF BANANA WORKERS' UNIONS IN PANAMA WITH 14 OTHER HONDURAN REPRESENTATIVES APRIL 28-30. HE TOLD LABOFF THAT HIS IMPRESSION WAS THAT MEETING'S PURPOSE WAS TO ENLIST REGIONAL BANANA UNIONS IN SUPPORT

OF TORRIJOS' POSITION ON BANANA TAX. RE IDEA OF FORMING CENTRAL AMERICAN BANANA WORKERS' FEDERATION, CACERES SAID THAT SITRATERCO WOULD EXPECT TO PLAY LEADERSHIP ROLE AND WOULD NOT PARTICIPATE IF FEDERATION WOULD HAVE BASIC PURPOSE OF SUPPORTING CENTRAL AMERICAN GOVERNMENTS' TAX POSITION. CACERES ADDED THAT PANAMIAN GOVERNMENT PAID ENTIRE HOTEL BILL FOR HONDURAN DELEGATION.

5. CACERES ALSO SAID THAT HEALTH OF SITRATERCO PRESIDENT OSCAR GALE CONTINUES TO BE POOR. HE CANCELLED PLANNED TRIP TO WASHINGTON TO PARTICIPATE IN AIFLD BOARD OF DIRECTORS' MEETING ON DOCTOR'S ADVICE AND INSTEAD WENT TO A NEW ORLEANS CLINIC. CLINIC TOLD HIM THAT ABSOLUTE REST WAS NECESSARY AND THAT HE WOULD NOT SURVIVE A SECOND STROKE. UNITED FRUIT OFFICIAL TOLD LABOFF JUNE 13 THAT GALE  
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HAD SAID HE WOULD RETIRE AT UNION'S UPCOMING AUGUST CONGRESS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CLOTHING, LABOR UNIONS, LABOR DISPUTES, BANANAS, AGRICULTURAL WORKERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TEGUCI02499  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** (A) TEGUCIGALPA 1840, (B) TEGUCIGALP, A 2231  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 10 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <10 SEP 2002 by cunninfx>; APPROVED <14 FEB 2003 by izenbei0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LABOR DEVELOPMENTS  
**TAGS:** ELAB, HO  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005